

**CITY OF LODI  
COUNCIL COMMUNICATION**

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**AGENDA TITLE:** Approve Policy Regarding "Outside City" Water Rates**MEETING DATE:** March 2, 2005**PREPARED BY:** Public Works Director

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**RECOMMENDED ACTION:** That the City Council approve the policy regarding "Outside City" water rates as described below.**BACKGROUND INFORMATION:** The Municipal Code (§13.08.020) allows water service outside the City limits with specific City Council approval and requires a rate surcharge of 50%. The City currently has three customers outside the City limits, and the dollar value of the surcharge as of last fiscal year was approximately \$8,000.

Under past practice, this surcharge has been included with other water fund revenue. Charging such a surcharge is permissible, and since it is not directly related to providing the service, the revenue should be placed in the General Fund. Given the constraints and demands on the General Fund, staff is recommending that the following budget policy be approved, effective the current fiscal year 04/05:

- Surcharge revenue from "Outside City" services shall be placed in the General Fund; and,
- Surcharge shall be listed separately on the utility bill.

**FUNDING:** Not applicable  
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Richard C. Prima, Jr.  
Public Works Director

RCP/pmf

cc: Steve Schwabauer, City Attorney  
Jim Krueger, Finance Director  
Frank Beeler, Assistant Water/Wastewater Superintendent

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APPROVED:   
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Blair King, City Manager